

# Annexation 2014

City Council Public Hearing  
July 16, 2014

Tom Schauer, Senior Planner  
Parks & Community Development Department

# Subject

## Annexation:

- Decision & Ordinance Annexing Property  
Subject to Ratification on November 4, 2014 Ballot

## Council Goals:

Top Council Goal for 2014

- Facilitate Sustainable, Manageable Growth
  - Action 1: Annexation of Properties into the City limits
- Keep Citizens Safe

# Tonight's Meeting

- Staff Report
- Public Testimony (not questions)
  - Please contact staff if you have questions
- Council Deliberation and Action

# Background

## June 25 Planning Commission Meeting

- **Additional hearing to take testimony before July 16 CC hearing**
  - Written comments provided to CC
  - Minutes with verbal comments provided to CC
  - Additional time for CC to consider testimony
- **No Planning Commission recommendation or decision**
  - Development Code does not require a Planning Commission hearing or recommendation on annexation. Was in addition to the required hearing.
- **Opportunity for testimony (not questions)**
  - Please contact staff if you have additional questions

# Criteria

- City Council decision based on public policy considerations and applicable criteria
- Proposal must meet criteria in Sections 5.052 and 5.053 of the Development Code
- (See Section VI of Staff Report for Findings)

# Criteria

- **5.052. Criteria for Property Subject to a Service and Annexation Agreement.** If the proposed property is subject to an annexation agreement, all of the following must be satisfied.
  - **Criterion 1:** All of the conditions and requirements of the annexation agreement have been met.
  - **Criterion 2:** Any additional conditions or requirements made necessary by subsequent judicial or state or federal or legislative acts have been met.

# Criteria (cont.)

- **5.053. Criteria for All Other Property.**

- **Criterion 1:** The proposed property is located within the Grants Pass Urban Growth Boundary Area and the area is contiguous with the existing City Boundary.
- **Criterion 2:** The proposed property is developed or will be developed consistent with City standards.
- **Criterion 3:** The proposal is consistent with the City's Comprehensive Plan at such time as the State has acknowledged that plan, or the proposal is consistent with LCDC Goals, prior to acknowledgment of the City's Comprehensive Plan.
- **Criterion 4:** The proposal is consistent with this Code.
- **Criterion 5:** The proposal is consistent with the provisions of the Oregon Revised Statutes.
- **Criterion 6:** The City of Grants Pass has sufficient capacity to provide the property with basic urban services, such as municipal water, sanitary sewer, fire protection, and police protection.

# Background

## **City Council Goal Setting**

- #1 City Council goal for this year
- 7 years since last annexation proposal
- Annex areas that sign new Service & Annexation Agreements within 1 year
- Public Safety

## **March 3, 2014 City Council Workshop:**

- Annexation Issues

## **April 21, 2014 City Council Workshop:**

- Draft Annexation Proposal

## **May 7, 2014 City Council Meeting:**

- Motion directing staff to proceed with draft proposal

**[www.grantspassoregon.gov](http://www.grantspassoregon.gov) > “Annexation 2014” for additional information**



# Background

## March 3, 2014 City Council Workshop:

- #1 City Council goal for this year
  - Honor IGA provisions for annexation within 1 year
  - Annexations in areas with annexation agreements
  - Triple majority and consent annexations
- Proposal that:
  - Includes areas with majority of agreements
  - Correct/avoids new lot-by-lot pockets/checkerboard/interspersed/sawtooth patterns
  - Look at all general areas with agreements, don't limit to one area
  - Potential opposition should not preclude annexation proposals in areas with agreements that make sense
- Help identify pros/cons

## Executive Staff Review:

- No issues identified with draft proposal

# Background

## Principles

- Annex most annexation agreements, except where:
  - Many interspersed lots that couldn't be addressed with triple majority
  - Limited interspersed lots on portion/end of street outside city limits
  - Lack of viable access
- Avoid islands, except where necessary to include large block(s) of outlying annexation agreements
  - Can't include larger area if Service & Annexation Agreements aren't present
  - May not be perfect, but best alternative if agreements are to be included now
  - Otherwise, only include lots with agreements (interspersed) or exclude area
  - Constrained by historic service and development patterns, practices, and standards
  - Catching up with 50+ years of historic practices
- Include both sides of continuous street segments where possible, some one side only if necessary due to location of agreements

# Background

## Considerations

- Primary annexation service issues are public safety
  - Provision of services, property taxes to public safety
- Some areas lacking city sewer and/or water lines throughout
  - Developed on well/septic, or community water system/sewer district
- Annexing some areas with agreements now may preclude larger triple majority in future (high %, prior to development, etc.)
  - Could enable more logical boundary in the future
  - Limited in current proposal, but some examples
  - Some areas fully developed, unlikely to have additional agreements
  - Some areas in current proposal were considered and skipped over ~13 years ago. Some areas were in proposal that didn't go to ballot ~7 years ago.

# Proposed Annexation

## Proposed Annexation

- ~715 tax lots in 18 areas
- ~355 acres plus right-of-way

## 18 Areas

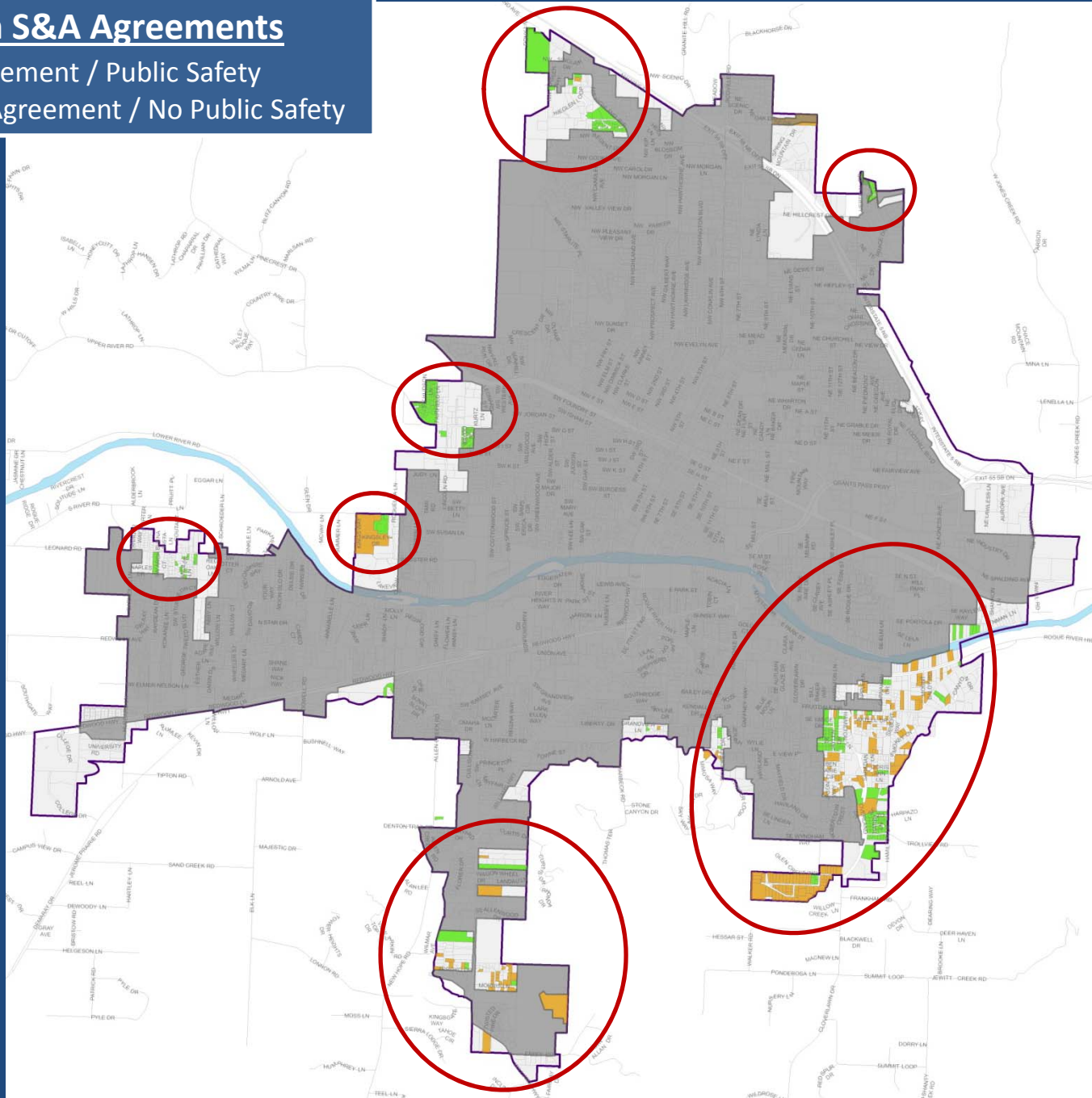
- 10 consent areas :
  - 100% of properties have service & annexation agreements
- 8 triple-majority areas:
  - Majority of properties have service & annexation agreements
  - Majority of acreage
  - Majority of assessed value

## Service & Annexation Agreements

- ~501 properties in the unincorporated UGB with S&As
- Proposal includes 447 of the 501 properties with S&As
- Others dispersed, to be re-evaluated when possible to include contiguous block
- Nearly all properties have sewer and/or water, even if no S&A

## Areas with S&A Agreements

- 'Fee' Agreement / Public Safety
- 'No Fee' Agreement / No Public Safety

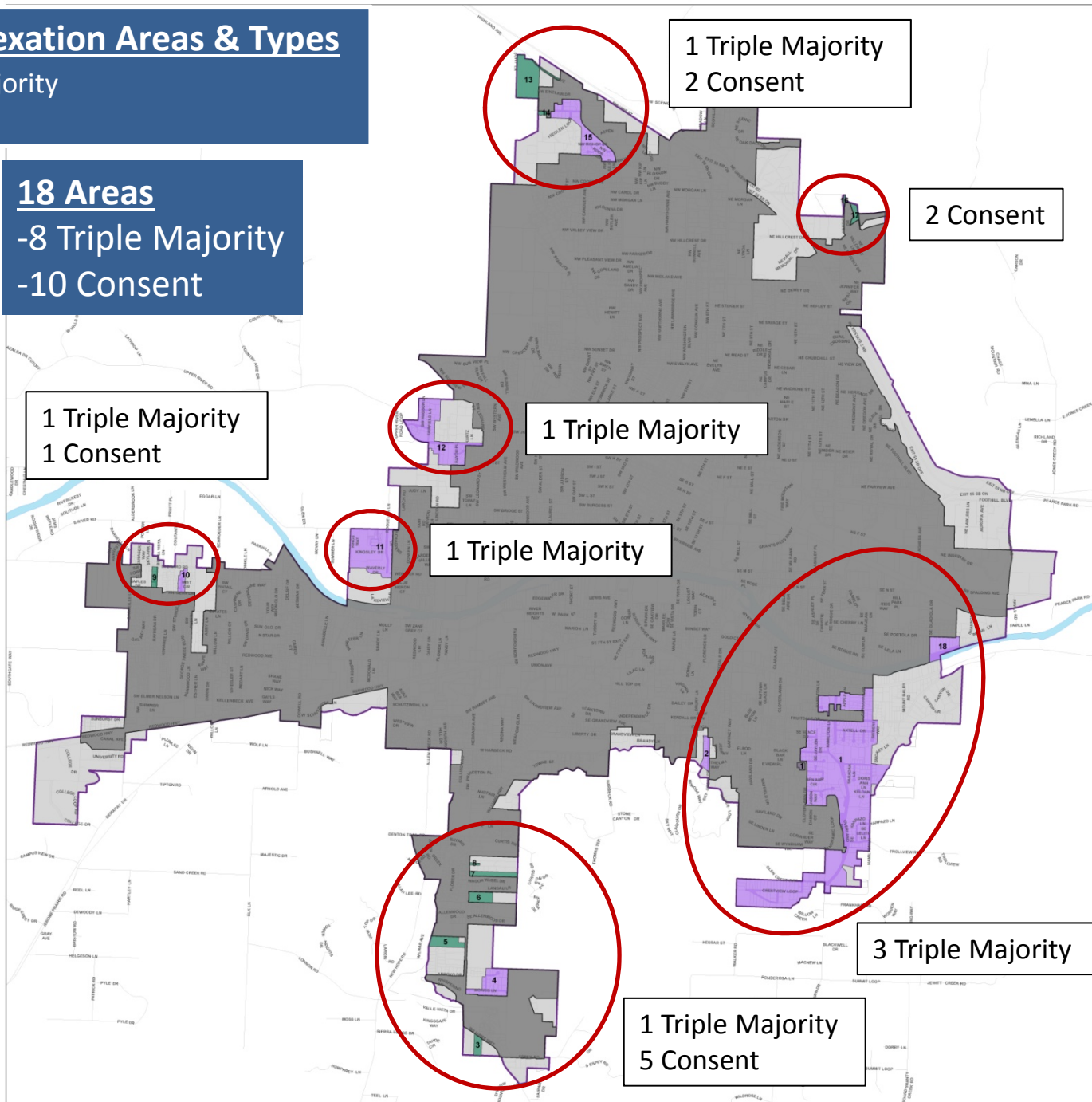


## Draft Annexation Areas & Types

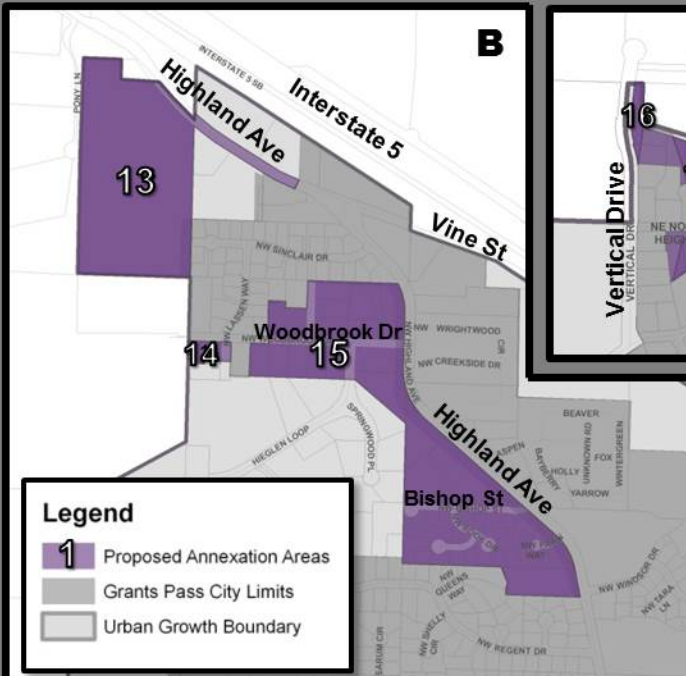
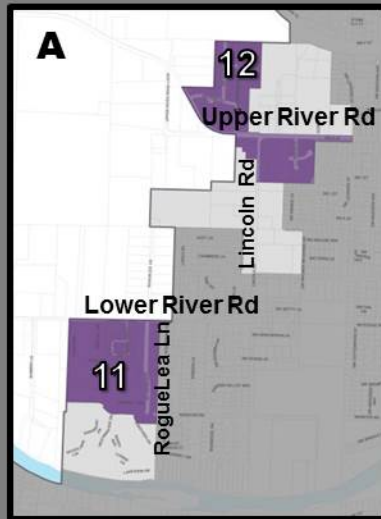
-  Triple Majority
-  Consent

### 18 Areas

-8 Triple Majority  
-10 Consent

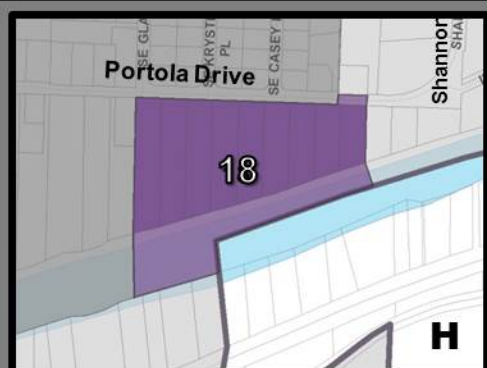
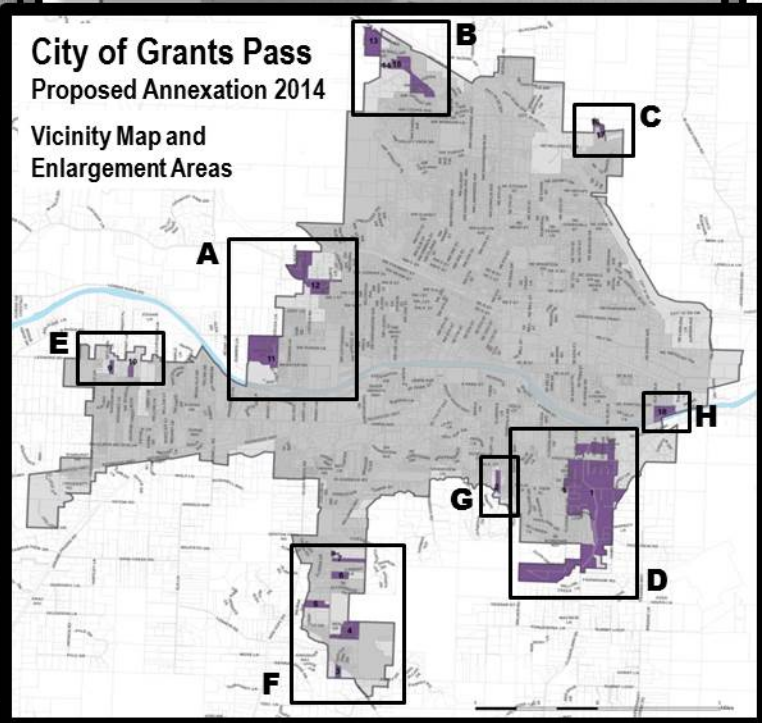
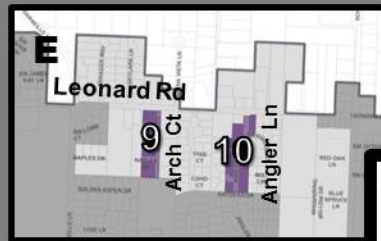






**Legend**

- 1 Proposed Annexation Areas
- Grants Pass City Limits
- Urban Growth Boundary

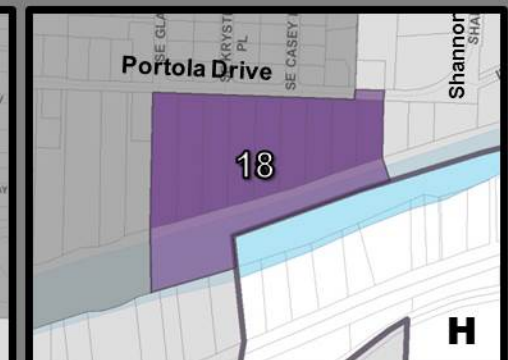
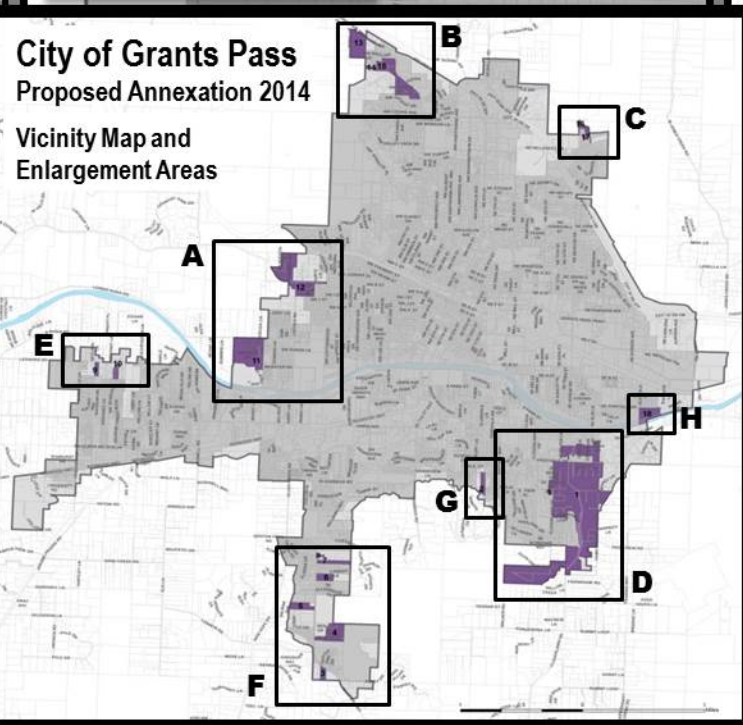
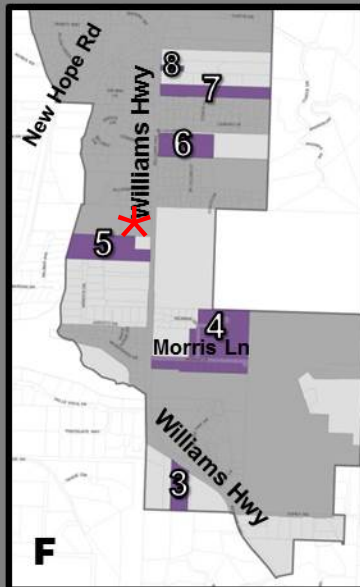
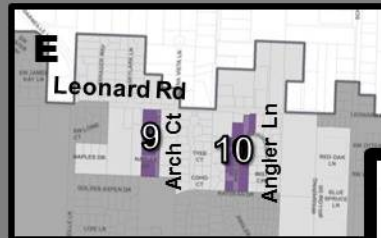
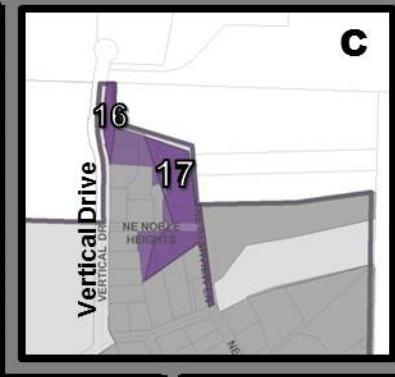
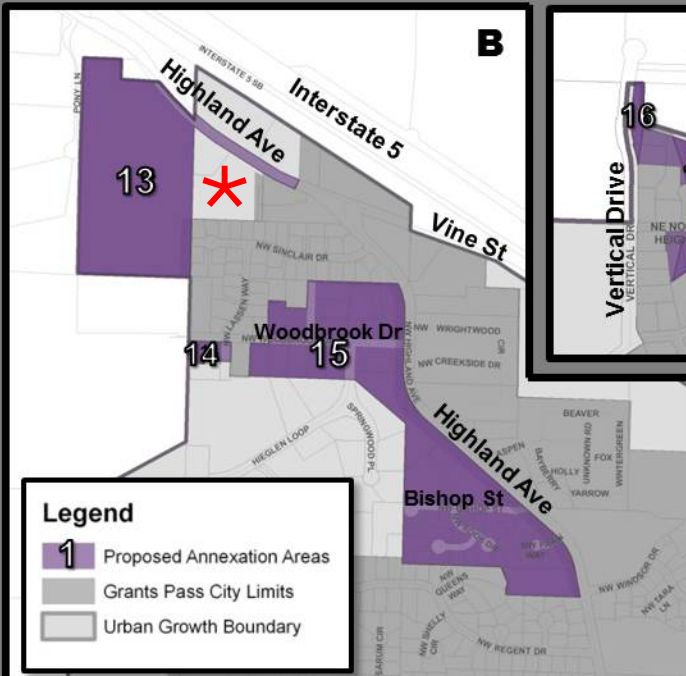
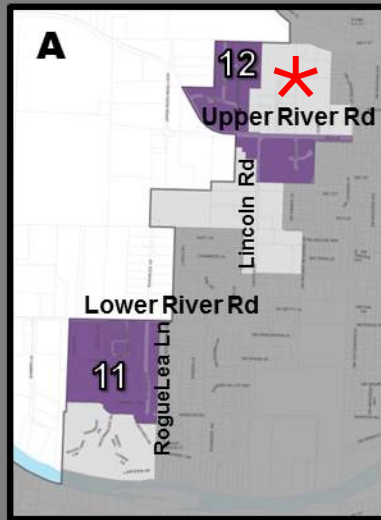


# Questions from Councilors

## from Monday's Workshop

- Islands? (see map)
- Triple Majority Provisions? Example in area with testimony
  - Majority of Tax Lots
  - Majority of Acreage
  - Majority of Assessed Value
- Relationship Between Annexation and Public Facilities / Local Improvement Districts / Reimbursement Districts
  - p. 117 Quick Facts – master plans, capital projects, LIDs apply UGB-wide
  - (no relationship between annexation and LIDs)

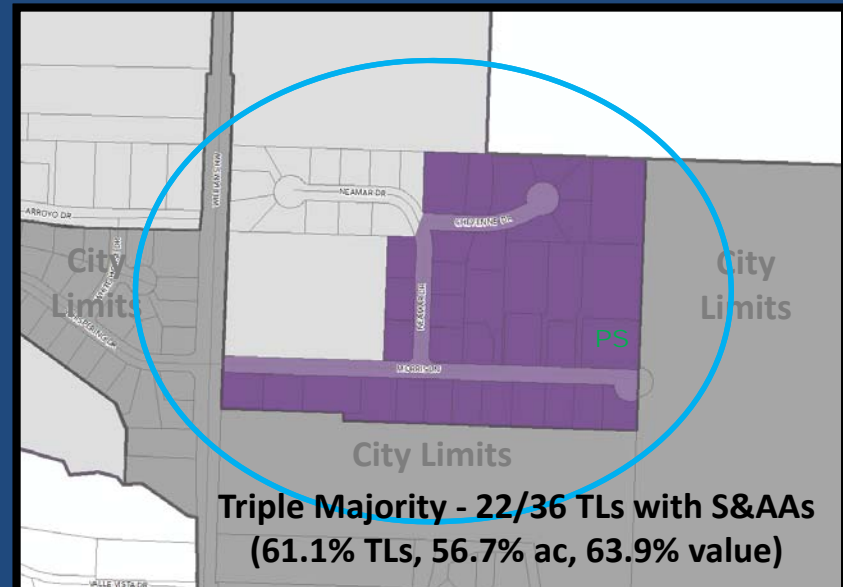
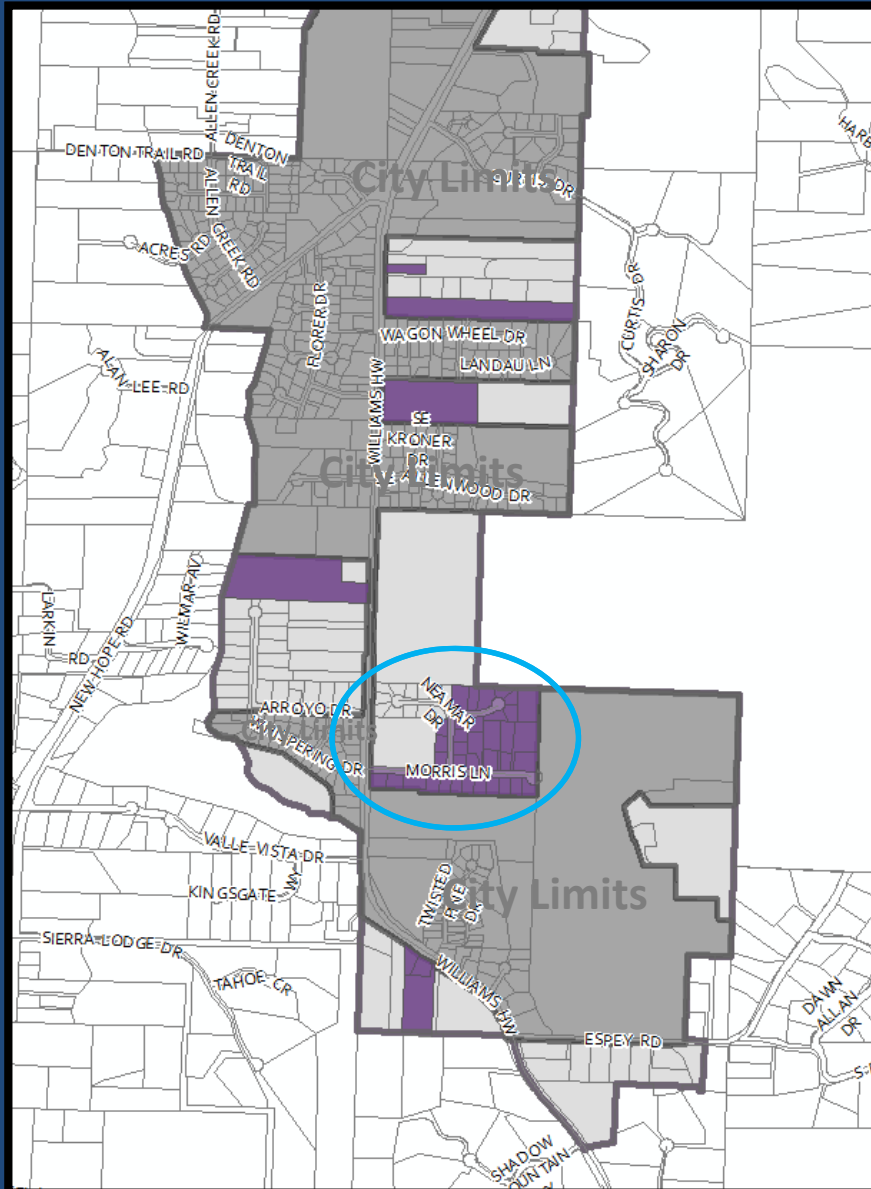




**Legend**

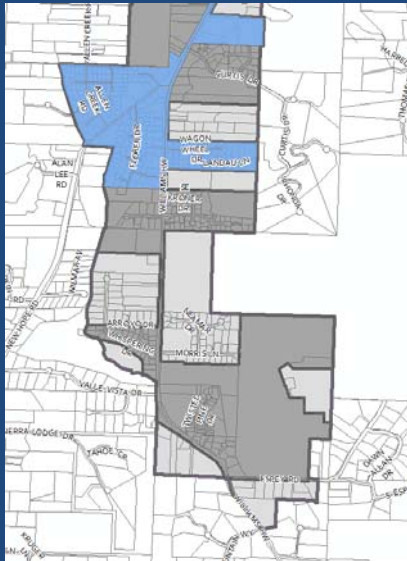
- 1 Proposed Annexation Areas
- Grants Pass City Limits
- Urban Growth Boundary

# Example of Triple Majority

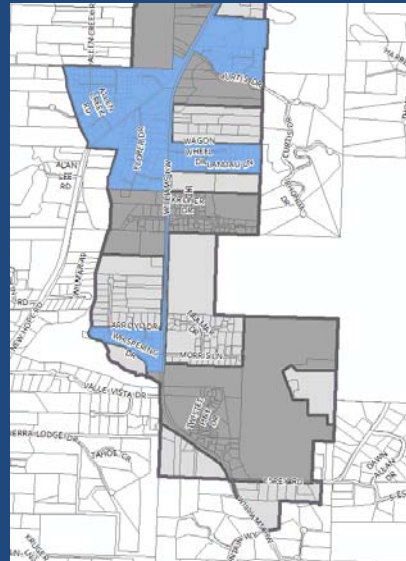


Properties are nearly all on sewer, most not on water

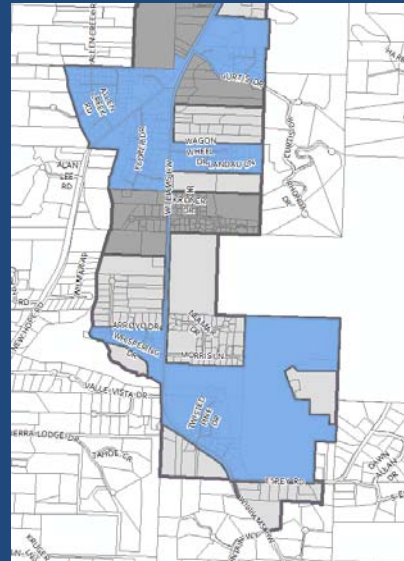




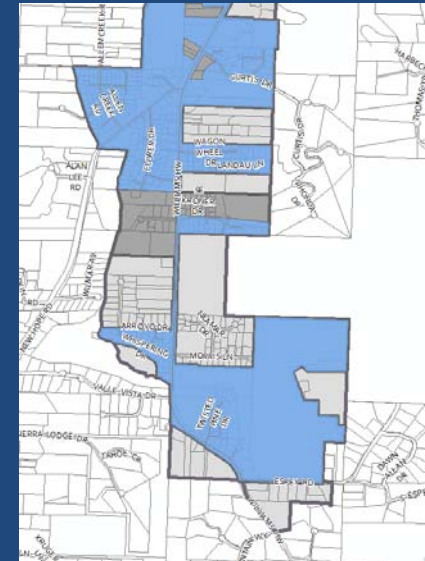
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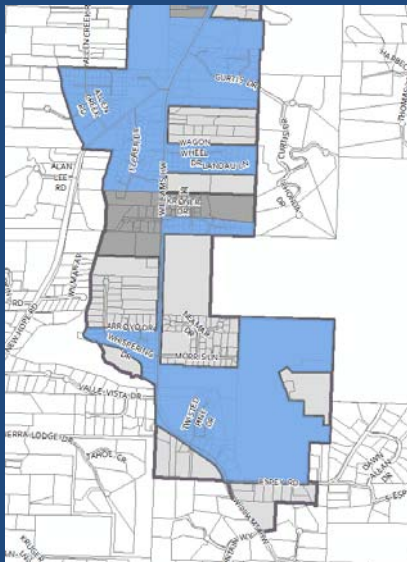
**2002**



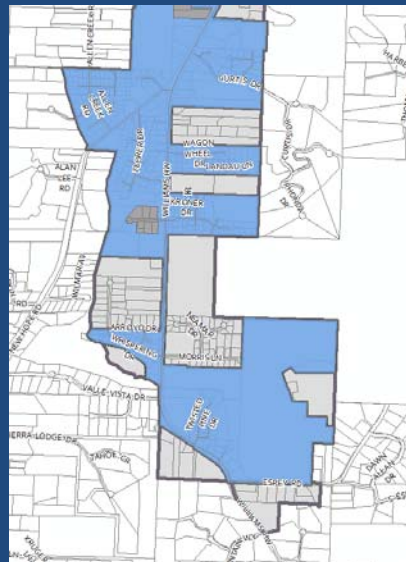
**2003**



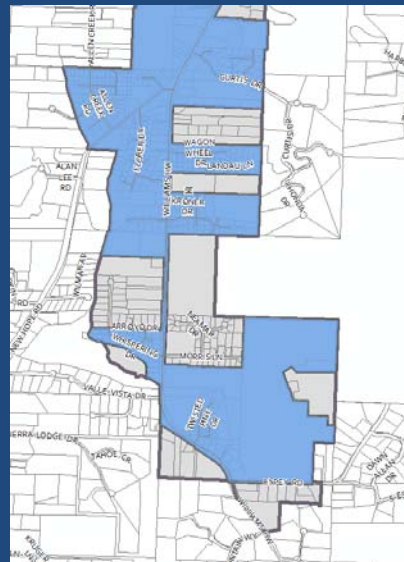
**2004**



**2005**



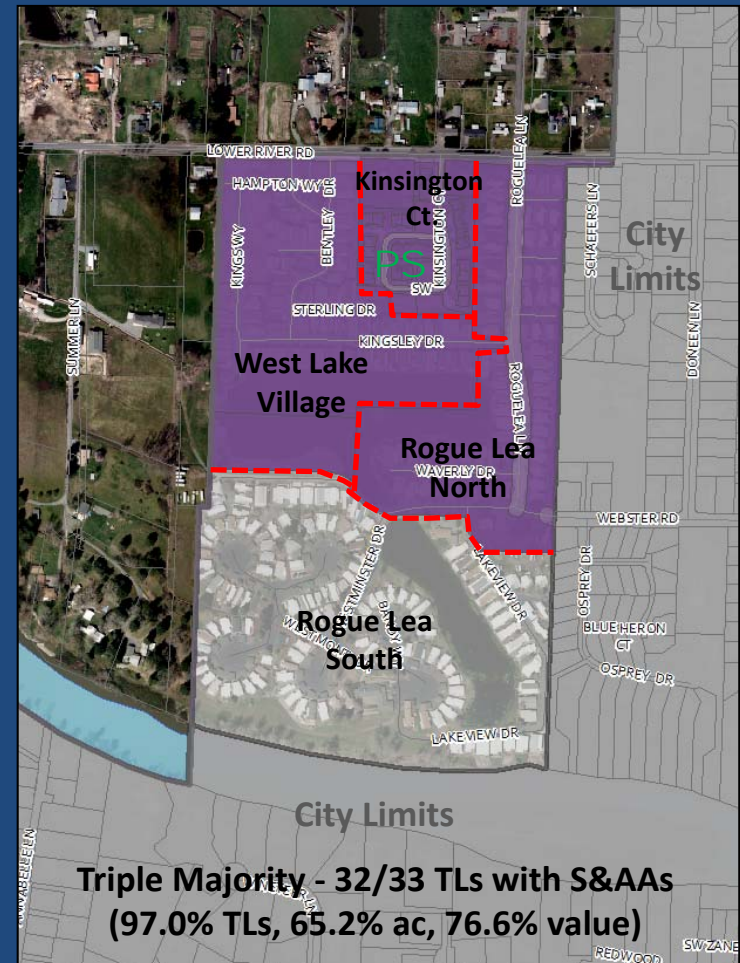
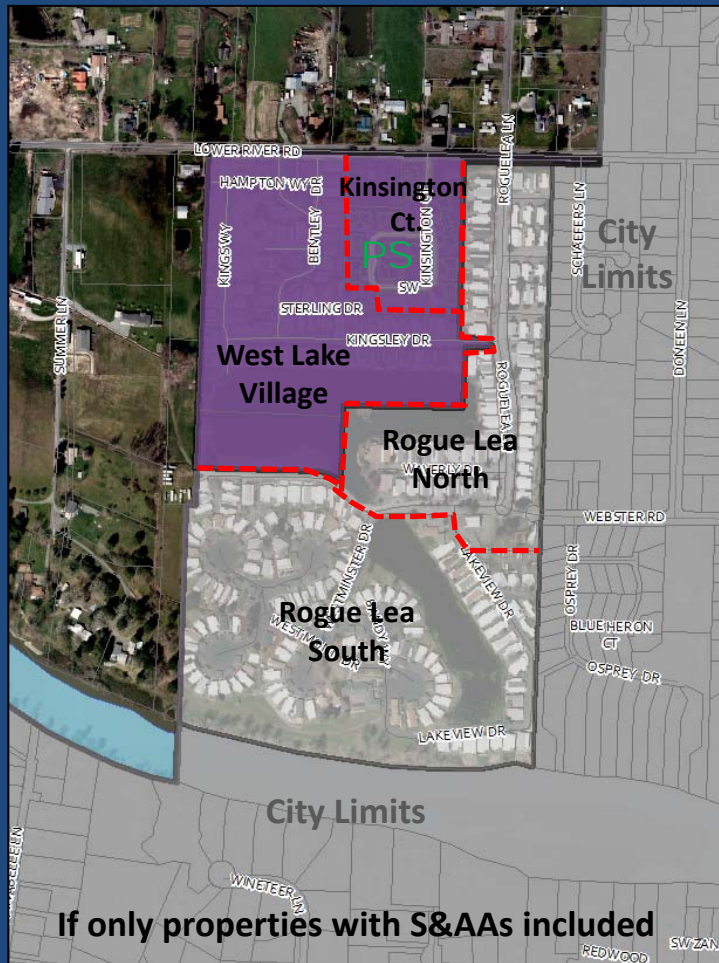
**2006**



**2007**

**Annexation  
Generally Follows  
Where There Are  
Service & Annexation  
Agreements  
and/or  
New Development**

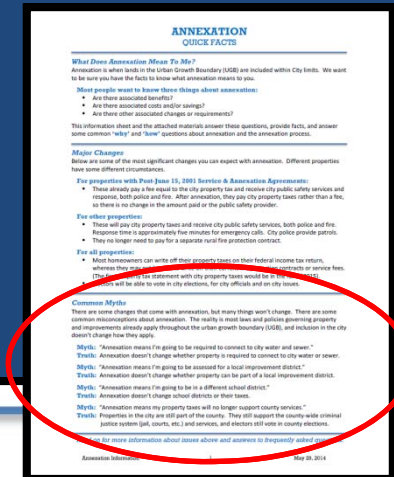
# Example of Triple Majority



- West Lake Village is on water and sewer (older 1983 'no fee' agreement / No Public Safety, revised 2010)
- Kinsington Ct. is on water and sewer (newer 'fee' agreement / Public Safety)
- Rogue Lea North & South are on sewer, not on water (No S&A Agreement)
- No significant surrounding development potential



# F.A.Q.s (p. 117)



## Common Myths

There are some changes that come with annexation, but many things won't change. There are some common misconceptions about annexation. The reality is most laws and policies governing property and improvements already apply throughout the urban growth boundary (UGB), and inclusion in the city doesn't change how they apply.

**Myth:** "Annexation means I'm going to be required to connect to city water and sewer."

**Truth:** Annexation doesn't change whether property is required to connect to city water or sewer.

**Myth:** "Annexation means I'm going to be assessed for a local improvement district."

**Truth:** Annexation doesn't change whether property can be part of a local improvement district.

**Myth:** "Annexation means I'm going to be in a different school district."

**Truth:** Annexation doesn't change school districts or their taxes.

**Myth:** "Annexation means my property taxes will no longer support county services."

**Truth:** Properties in the city are still part of the county. They still support the county-wide criminal justice system (jail, courts, etc.) and services, and electors still vote in county elections.

# Cost Implications

## Major Revenues:

- City property tax (dedicated to public safety)
- State revenue sharing (gas tax, etc.) - per capita allocation to cities
- Franchise fees from utility providers
- Business tax
- Street utility
- New Jail Services utility
- (Properties with 'fee' agreements already pay fee equal to tax rate and receive public safety service and pay street utility)

## Major Costs:

- Public safety patrol and emergency response  
(5 minute response time for emergency calls)
- Street sweeping/maintenance

# Cost Implications (cont.)

## Net city property tax estimate

- ~\$420,000
  - ~\$394,000 to Public Safety, Police & Fire
  - ~26,000 toward Paying off Public Safety Stations
  - As tax revenue allows, additional police and fire personnel are added to the City Public Safety system to protect area residents
  - Respond as call volumes increase

## State revenue sharing (gas tax, etc.) - per capita allocation to cities

- ~\$134,000 (rough estimate of population and per capita rate)

(Properties with 'fee' agreements already pay a fee equal to tax rate and receive public safety service and pay street utility)

# Call to Action

## Deliberation:

- Consider Draft Proposal, Staff Report, Criteria, and Public Testimony

## Alternatives:

- Approve Annexation Ordinance as Proposed
- Approve Annexation Ordinance with Revisions

## Recommendation:

- Approve Annexation Ordinance as Proposed



# Next Steps

- **Tonight.** City Council will consider testimony and criteria and vote on ordinance to place annexation on the November ballot for vote by city electors, consistent with City Charter provision added by ballot measure initiative in 2000.
- **November 4 Ballot.** If voters approve the annexation in November, it will be effective in December 2014.
- **December 2014.** Properties and agencies will be notified, and Public Safety Services will start right away.
- **Fall 2015.** City property taxes won't be included until tax statement mailed in fall of 2015

# Thank You!

## Public Testimony

### Testimony Received to Date is in Packet

- Exhibits 7.1 - 7.8: Written Testimony
- Exhibit 8: Minutes from Planning Commission Hearing
- (Additional Items Received After Packet - on Dais)
  - Exhibit 7.9

# Crestview Loop

- Most properties are about .4 to .65 acres – zoned R-1-12.
- After problem of failing septic systems identified by county in 1985 and health hazard declared in 1988, explored options and eventually brought property into UGB and constructed sewer.
- Originally formed LID in 1990- ~\$28,000 per property, (~\$1400/year) and then repealed in 1992. (Would not have required owners to connect if no failing system).
- Letter in 1994 before grant still identified proposal for choice of connecting. Noted that annexation wouldn't occur for at least 5 years, and more likely 10-15 years. (Has now been about 20 years, and about 15 years since agreements were signed in 1999).
- 1998/1999. Obtained grant and constructed sewer, finished in September 1999. (To obtain grant, all properties were required to connect).
  - \$652,300 grant
  - \$128,500 loan (~\$2,215 per property)
  - \$12,882 city contribution
  - \$34,617 county contribution
- All properties have annexation agreements. (One property recently partitioned and has a “fee” agreement.)
- Comments from owners that they didn't feel they had a choice to sign annexation agreement, not all wanted to connect to sewer, and they don't want to be annexed.